



DEPARTMENT OF STATE
ACTION MEMORANDUM

7501501

S/S March 4, 1975

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To: The Secretary

From: NEA - Alfred L. Atherton, Jr. *for Sober*

U.S.-Iran Joint Commission:
Communique and Talking Points
for Press Conference, March 4

We have now reached agreement with the Iranians on a Joint Communique to be issued this afternoon, subject to your approval (TAB A).

Suggested talking points for your joint press conference with Minister Ansary are also attached (TAB B).

We have just now also reached agreement with the Iranian Vice Chairman (Mehran) on the final text of the Joint Minutes, which Ansary and you would also sign this afternoon. This is yet to be seen by Ansary and is subject to his approval as well as yours. We are at this moment typing up a clean copy and will pass it to you as soon as it is ready.

Recommendation:

That you approve the draft Joint Communique.

Approve _____ Disapprove _____

Attachments:

TAB A - Draft Joint Communique
TAB B - Talking Points

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Drafted: NEA:SSober:lab
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U.S.-IRAN JOINT COMMISSION

Washington, March 4, 1975

Joint Communiqué

The U.S.-Iran Joint Commission completed its second session in Washington on March 3-4, 1975. The Iranian Delegation was headed by His Excellency Hushang Ansary, Minister of Economic Affairs and Finance, and the U.S. Delegation by the Secretary of State, Dr. Henry A. Kissinger, who are the co-chairmen of the Commission. Other high officials of both governments participated in the meeting.

The Joint Commission was established in November 1974 in order to broaden and intensify economic cooperation and consultation on economic policy matters.

During his visit Minister Ansary called on President Ford and conveyed to him the personal greetings of His Imperial Majesty, the Shahanshah Aryamehr of Iran. In his talks with President Ford and other American leaders, Minister Ansary discussed the current world situation and reviewed bilateral matters in the spirit of mutual respect and understanding long characteristic of the relations between Iran and the United States. He met with members of the Senate and House of Representatives, journalists, and leaders of the American business community.

The Commission reviewed the work done by its five joint committees, which had met during January and

February, and approved a large number of technical cooperation projects and development programs which had been recommended by the committees. The Commission concluded that the scope for cooperation between the two countries for their mutual benefit was almost unlimited.

In the light of the strong desire on the part of the two sides to extend areas of mutual cooperation, the Commission set a target of \$15 billion in total non-oil trade between the two countries during the next five years.

Major Iranian development projects selected for cooperation between the two countries include a series of large nuclear power plants, totaling 8,000 electrical megawatts, with associated water desalination plants; 20 prefabricated housing factories; 100,000 apartments and other housing units; five hospitals with a total of 3,000 beds; establishment of an integrated electronics industry; a major port for handling agricultural commodities and other port facilities; joint ventures to produce fertilizer, pesticides, farm machinery, and processed foods; super highways; and vocational training centers. The total cost of these projects is estimated to reach \$12 billion.

The Commission also recognized the special importance of cooperation between the two countries in the field of petrochemicals, and took note of major projects under study for joint ventures between Iran and major companies in the United States to produce petrochemical intermediates and finished products for general use in Iran and for export.

The Commission agreed that a joint business council could play a very useful role in broadening contact between the business sectors in both countries and in facilitating exchange of information on business opportunities and agreed that such a council should be established forthwith.

The Commission agreed that long-term investment from each country in the economy of the other should be on terms and conditions assuring mutual benefit, subject to prevailing rules and regulations in each country. The Commission also agreed on the importance of public awareness of the nature and objectives of the investment policies of the two countries.

The two sides agreed to cooperate actively in the development of the Iranian capital market and in the establishment of Iran as a financial center for the

region. It was agreed that a financial conference should be held in Tehran before the end of the current year, to which would be invited high officials of the two governments as well as leaders of banking, insurance and other financial institutions.

Substantial progress was made toward conclusion of an Agreement on Cooperation in the Civil Uses of Atomic Energy. This Agreement will provide for a broad exchange of information on the application of atomic energy to peaceful purposes, and for related transfer of equipment and materials, including enriched uranium fuel for Iran's power reactors.

In order to facilitate exchange of technical specialists, the two co-chairmen signed a reciprocal agreement for technical cooperation. Technical cooperation projects were agreed upon in agriculture, manpower, science and higher education, and health services.

The Commission agreed to emphasize scientific programs in the fields of oceanography, seismic studies, geological and mineral surveys, remote sensing applications, and radio astronomy. In the field of higher education and advanced study, the Commission also agreed that the two governments should increase exchanges and develop a network of inter-institutional relationships.

The Commission noted that, concurrent with the meeting of the Commission, agreement in principle was reached between Iranian and U.S. private interests on projects for production of graphite electrodes, sanitary wares and trailers, and for establishment of a hotel chain in Iran.

It was agreed to hold the next meeting of the Joint Commission in Tehran before the end of 1975.

Leader of the Iranian Delegation

Leader of the United States
Delegation

Hushang Ansary
Minister of Economic Affairs
and Finance

Henry A. Kissinger
The Secretary of State

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Your Talking Points

--Cooperation between the United States and Iran is nothing new--we have been working together for almost three-quarters of a century and have had an especially close relationship since World War II.

--We have established the U.S.-Iran Joint Commission not to start the cooperative process, but to give it the scope and status our extensive mutual interests require. The Commission provides a framework for new and broader approaches in cooperation.

--We have agreed that there is almost unlimited scope in the potential for economic cooperation between our two countries on a wide variety of ventures that would be to our mutual benefit. As the Joint communique notes, we have set a target for \$15 billion in trade (excluding oil) between our two countries over the next five years. We have also identified a series of major projects, with a total cost of at least \$12 billion in which we and Iran hope to collaborate in building up major economic sectors.

--In our meetings here we have also covered a wide range of other matters, including our common interest in agriculture and in financial fields, in which our two countries have a great mutual stake.

--What we have been able to achieve here in this matter is a continuation of the very close relationship we and Iran have had over the years, but it also marks a new beginning--the beginning of an era in which the ties between Iran and the United States will grow more diverse as well as larger and stronger.

--I take great satisfaction in the program we have laid out for our future collaboration, and I want to thank Minister Ansary for his inspired and imaginative leadership which has been so important, under the direction of His Imperial Majesty, to make this possible.

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